

INDOT Biennium Budget

State Budget Committee

Michael B. Cline, P.E., PTOE
Commissioner
INDOT

November 28, 2012



INDOT Mission & Values

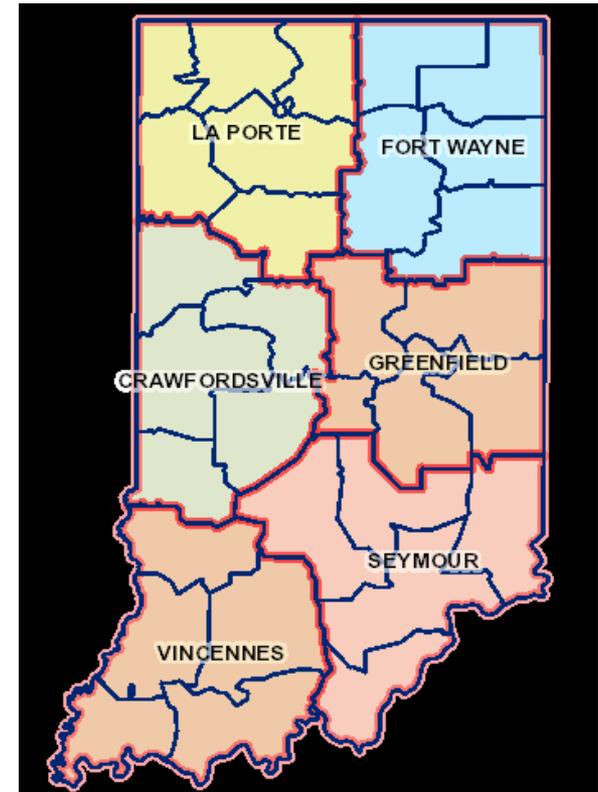
- **INDOT Mission:**
 - INDOT will plan, build, maintain and operate a superior transportation system enhancing safety, mobility and economic growth

- **INDOT Values:**
 - Respect
 - Teamwork
 - Accountability
 - Excellence

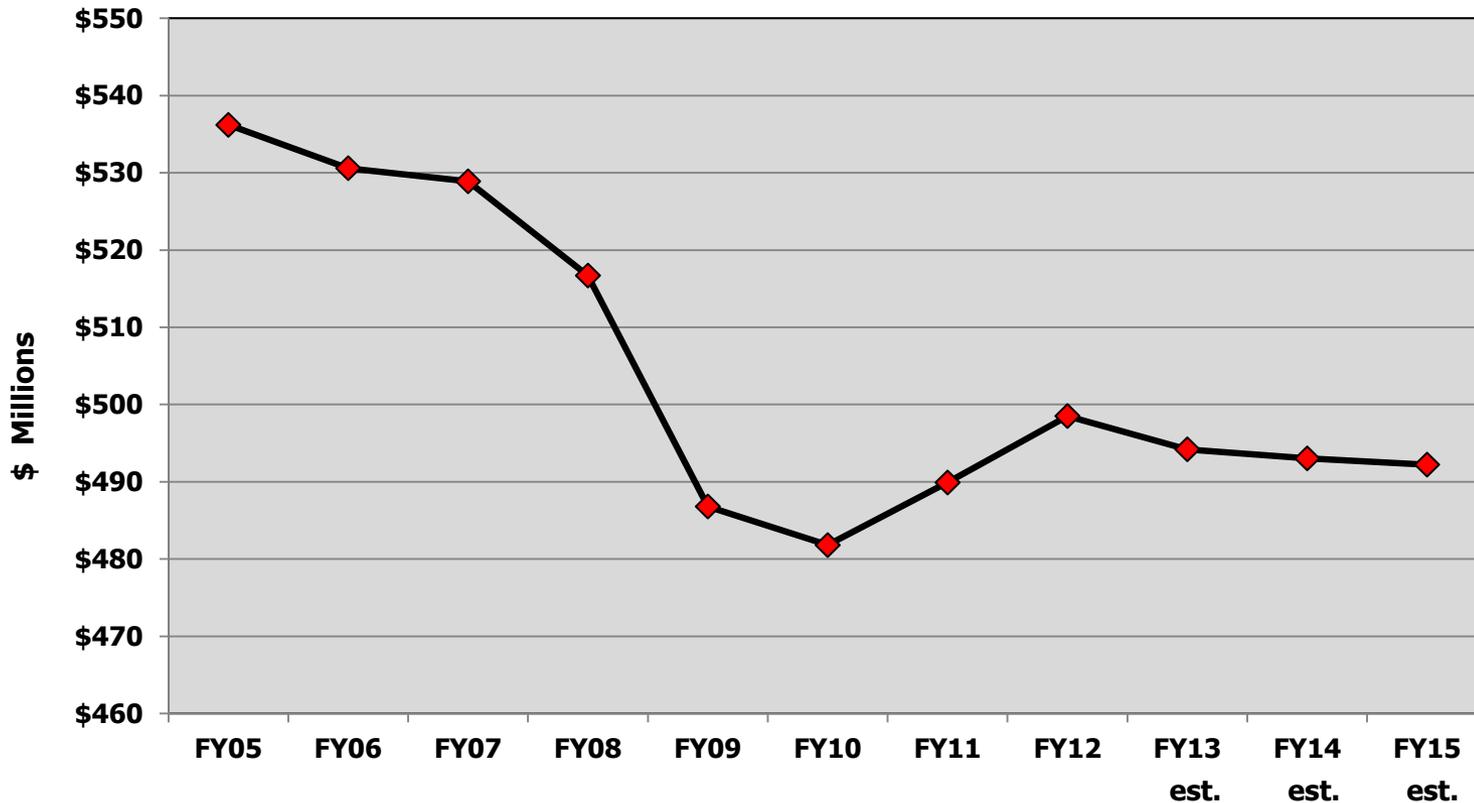


INDOT Profile

- 6 District Offices
- 3,634 Employees
- 1,083 Snow Trucks
- \$389 Million/Annual Operating Budget
- \$1 Billion/Annual Capital Expenditures
- 28,400 Total Lane Miles
- 5,300 INDOT-Owned Bridges



State Highway Fund Revenue



From FY05 to FY15, State Highway Fund Revenues Will Decrease 8.2%.

Revenue Decline Primarily Attributed to Reduced Gasoline Consumption. Current State Revenue Levels Jeopardize INDOT's Ability to Match Federal Transportation Funding.

Source: INDOT Finance Staff



Projected Sources of Revenue – FY14 & FY15

(\$ Millions)	Sources	2 Year Total for Fiscal Year 2012 and 2013	Projected 2014 Fiscal Year Dollars	Projected 2015 Fiscal Year Dollars	2 Year Change from 12/13 Biennium Percentage	% of Total
State Revenues						
State Highway Fund	Fuel Taxes, Vehicle License Fees, etc	\$994.64	\$493.00	\$492.20	-0.9%	31.5%
SHRICF - Debt Service	2 Cent Fuel Tax	\$118.66	\$58.70	\$58.00	-1.7%	3.7%
Crossroads - Debt Service	Vehicle License Fees	\$74.19	\$37.10	\$37.10	0.0%	2.4%
Public Mass Transit Fund	General Fund	\$85.16	\$42.58	\$42.58	0.0%	2.7%
Miscellaneous Non-Highway	Sales Taxes, Permits, etc	\$39.99	\$20.57	\$20.96	3.9%	1.3%
Traditional State Income		\$1,312.64	\$651.95	\$650.84	-0.8%	41.6%
Major Moves	Toll Road Lease Proceeds	\$909.60	\$5.60	\$2.60	-99.1%	0.3%
Total State Revenues		\$2,222.24	\$657.55	\$653.44	-41.0%	41.9%
Federal Revenues:						
Highway Federal Aid (non-earmarks)	Federal Funds	\$1,359.19	\$682.00	\$648.00	-2.1%	42.5%
Highway Federal Aid (earmarks)	Federal Funds	\$19.80	\$10.90	\$1.90	-35.4%	0.4%
FHWA Local Highway (non-earmarks)	Federal Funds	\$453.16	\$227.00	\$216.00	-2.2%	14.1%
Total Federal Highway Sources		\$1,832.15	\$919.90	\$865.90	-2.5%	57.0%
Total Federal Transit	Federal Funds	\$34.97	\$17.49	\$17.49	0.0%	1.1%
Total Revenues		\$4,089.4	\$1,594.9	\$1,536.8	-23.4%	100.0%

After the Investment of Major Moves, INDOT Will Return to Historical Funding Levels.



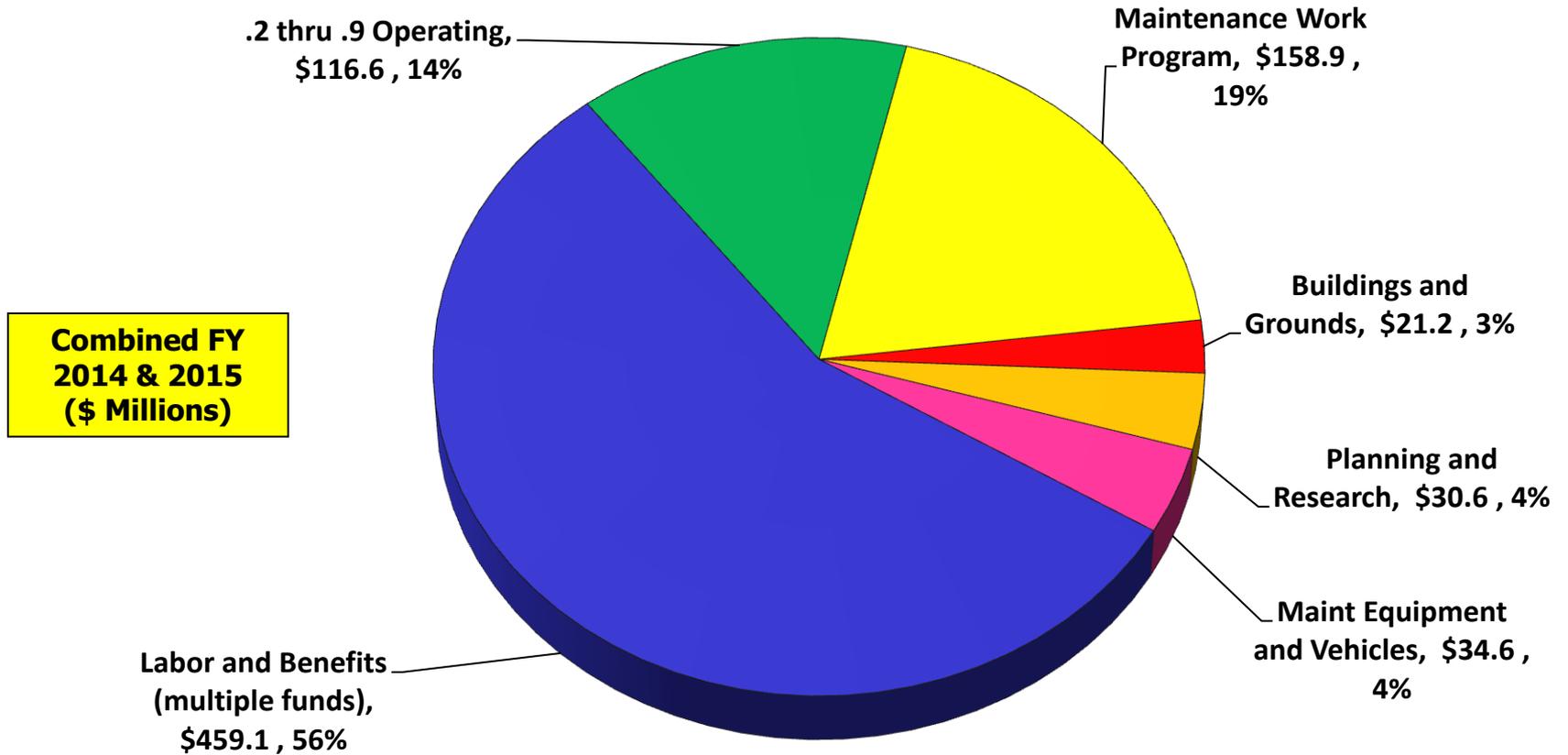
Projected Allocation of Revenue – FY14 & FY15

	Total Revenue Fiscal Year 2014 (in millions)	% of Total	Total Revenue Fiscal Year 2015 (in millions)	% of Total
Total Revenue	\$1,594.9	100.0%	\$1,536.8	100.0%
Total Highway Construction (1)	\$864.7	54.2%	\$863.0	56.2%
Total Highway Development	\$133.5	8.4%	\$75.2	4.9%
Total Operating including Maint	\$411.3	25.8%	\$409.3	26.6%
Total Debt Service	\$102.3	6.4%	\$105.8	6.9%
Other - PMTF, Commuter Rail, etc	\$83.1	5.2%	\$83.5	5.4%

(1) Includes Local Federal-aid Construction



Breakdown of INDOT's Operational Budget

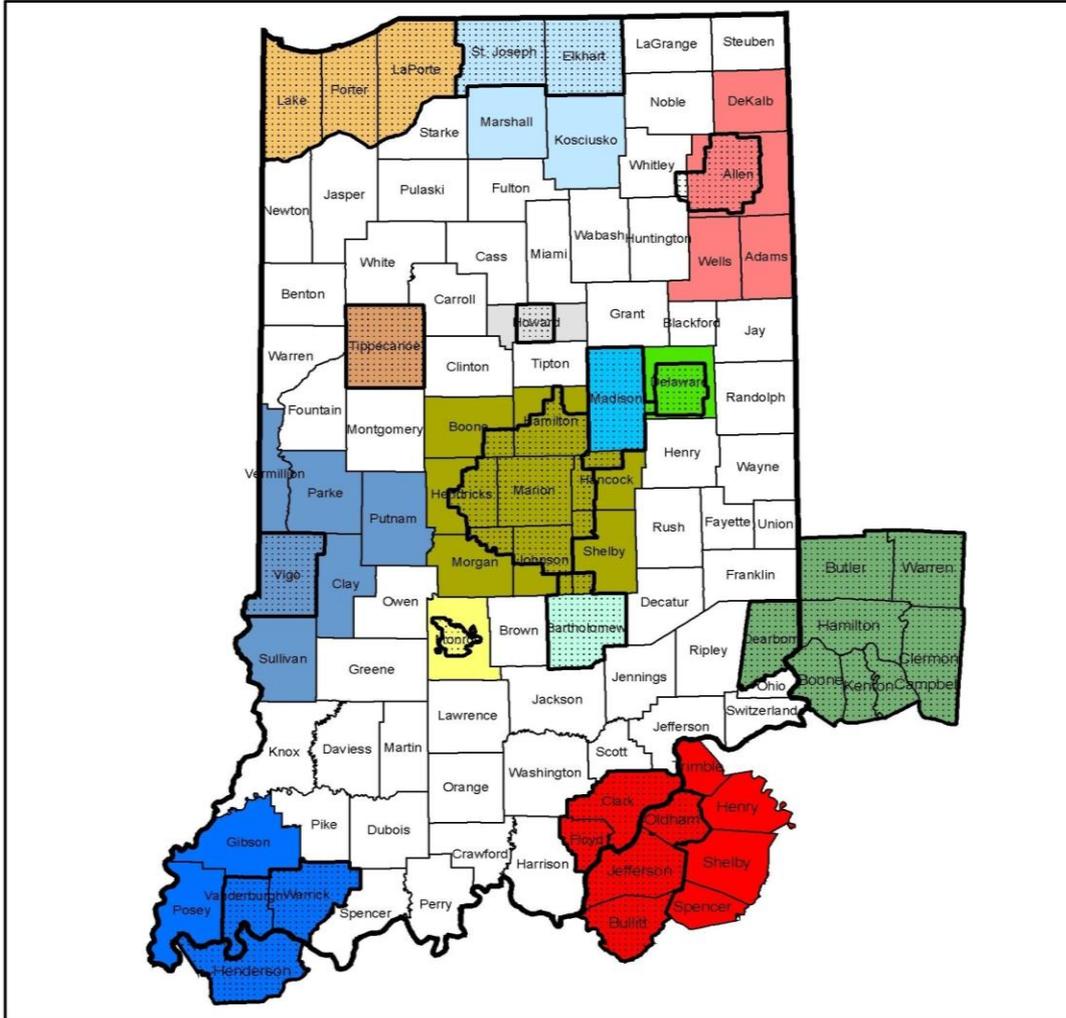


Compared to Last Biennium, the Share of Labor & Benefits Has Decreased 4% with Continued Headcount Reduction.



MPO Map

Metropolitan Planning Organizations in Indiana with MPAs



**INDOT
Administers
Federal Funds
(\$225M annually)
for Locals/MPOs.**



Local Construction Funds (\$ Millions)

Actual/Projected Obligation Limitation – Local Federal Projects

	2006	2007	2008	2009	2010	2011	2012	2013*	2014*	2015*
MPO's	\$ 90.6	\$ 104.2	\$ 108.5	\$ 112.8	\$ 116.2	\$ 111.0	\$ 118.3	\$ 123.9	\$ 125.0	\$ 119.1
Cities/Towns/Counties	\$ 61.5	\$ 70.8	\$ 73.7	\$ 76.7	\$ 79.0	\$ 75.0	\$ 77.2	\$ 74.3	\$ 75.0	\$ 71.4
Other - TE & Safe Rts	\$ 24.6	\$ 27.9	\$ 29.4	\$ 30.6	\$ 31.5	\$ 30.0	\$ 32.2	\$ 27.2	\$ 27.0	\$ 25.5
Total (non-earmarks)	\$ 176.6	\$ 202.9	\$ 211.6	\$ 220.1	\$ 226.7	\$ 216.0	\$ 227.7	\$ 225.4	\$ 227.0	\$ 216.0

*projected

- INDOT Has Historically Made Available 25% of the Total Amount of Indiana's Federal Highway Allocation to Locals.
- Currently, Federal Funding Made Available to Locals/MPOs is Approximately \$225M Annually.



INDOT Accomplishments

- Delivered Governor Daniels' Major Moves Program
 - 88% of Projects Have Been Completed or are Under Construction
- Reduced Headcount by 21.4% While Delivering the Largest Infrastructure Program in Indiana's History.
- Converted 582 Vehicles to Run on Propane Which Has Saved Taxpayers Nearly \$953,000 in Fuel Costs.*
- Increased Funds Recovered Through INDOT's DamageWise Program (\$4.1M in FY12 Compared to \$1.4M in FY10).*
- Less than 1.0% of Total Budget Spent on Administrative Costs.

*Award-winning program in 2012



Major Moves Projects

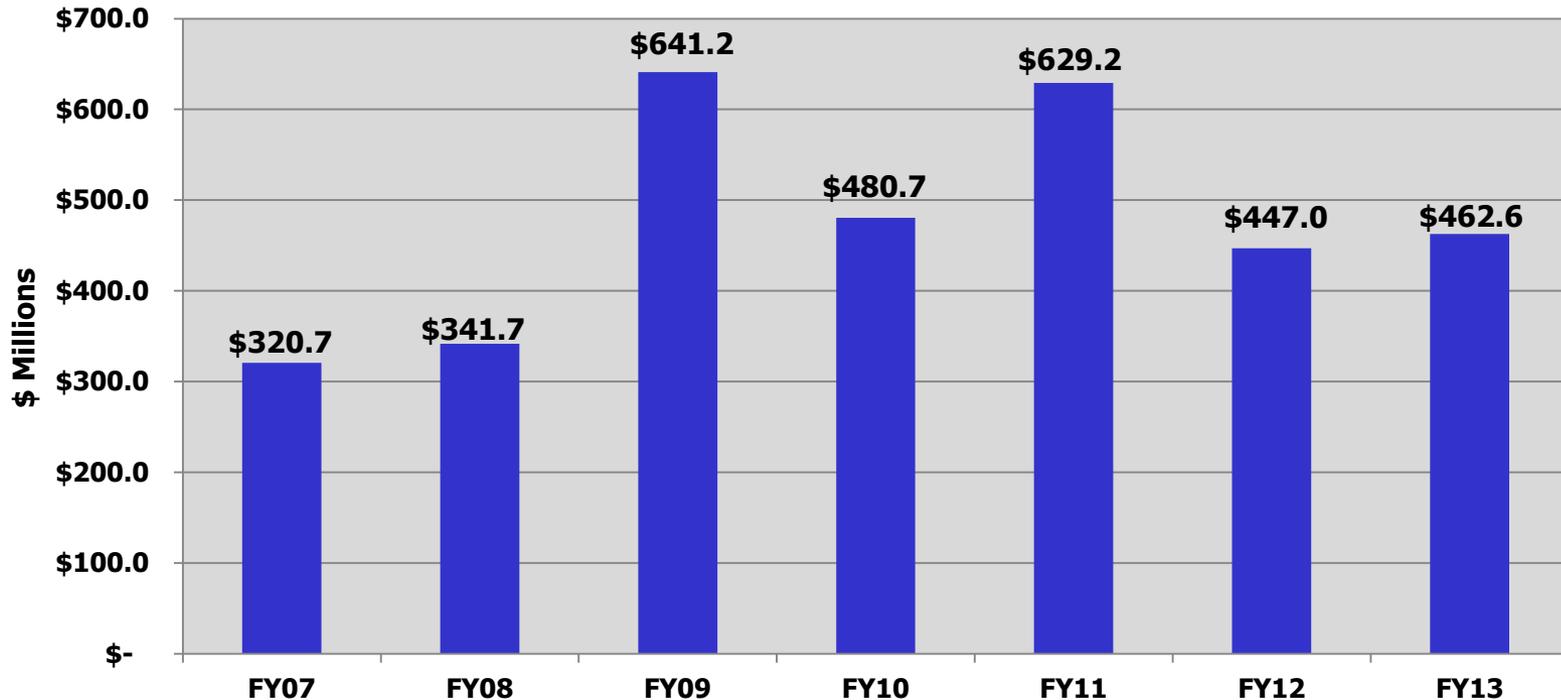
Project	Lane Miles	% Miles Let	Est. \$ CN Cost (millions)	Final Letting	Open to Traffic
I-80/94 Interchange	-	100	\$197	2009	Aug. 2011
Accelerate 465	28	100	\$423	2010	Dec. 2012
US 24 Fort to Port	28	100	\$93	2010	Nov. 2012
I-69 Evansville to Crane	171	100	\$620	2011	Nov. 2012
Milton-Madison Bridge	2	100	\$52*	2010	April 2013
US 31 Kokomo	33	100	\$155	May 2012	Dec. 2013
SR 25 Hoosier Heartland	92	100	\$327	July 2012	Dec. 2013
US 31 Plymouth to South Bend	51	92	\$223	April 2013	Dec. 2014
I-69 Crane to Bloomington	69	79	\$400	Dec. 2012	Dec. 2014
US 31 Hamilton County	33	16	\$320	Spring 2013	Dec. 2015
Total	507		\$2.76B		

* Indiana share only

88% of Major Moves Projects Have Been Completed or are Under Construction.



Lease Proceeds Obligated by Fiscal Year

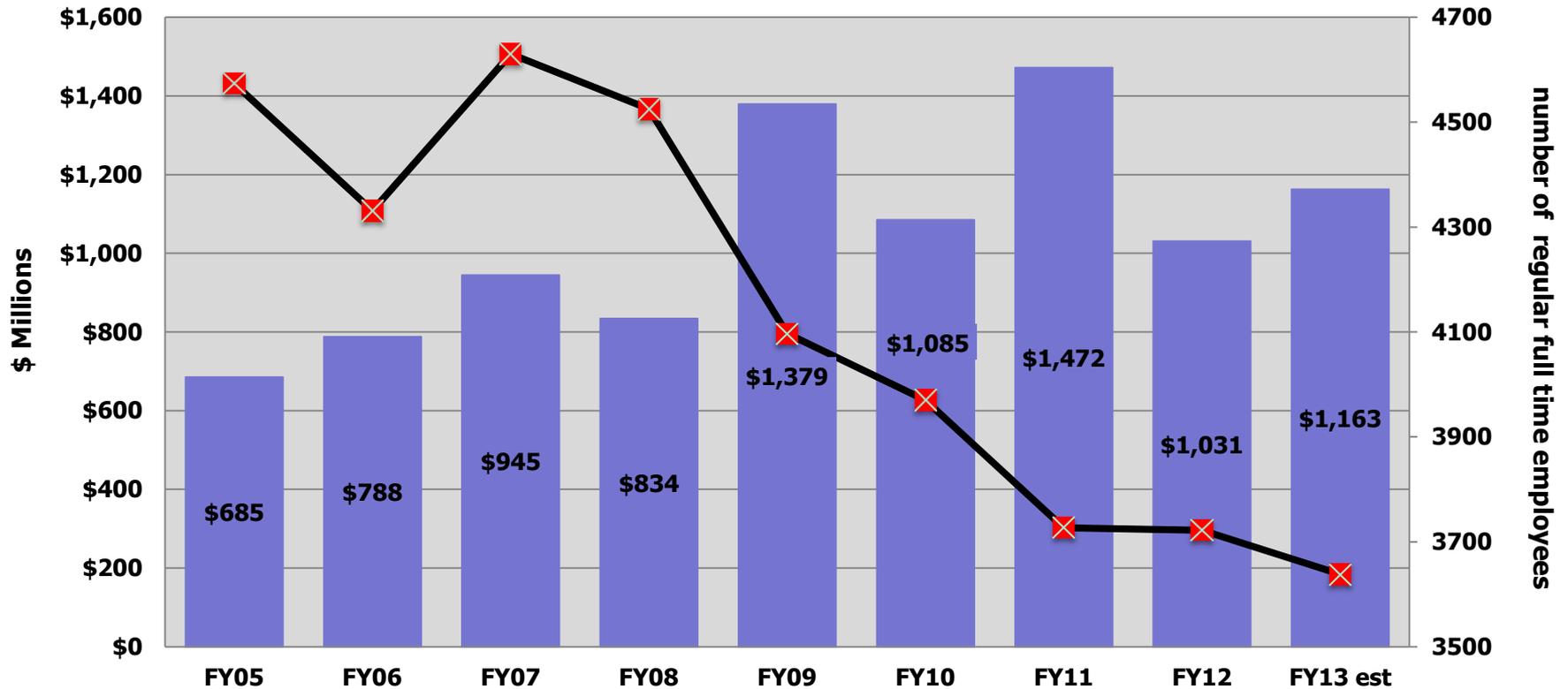


By the End of FY 2013, INDOT Will Have Obligated a Majority of the Lease Proceeds (\$3.3B) on Major Moves Projects.



Source: INDOT Finance Staff

Construction Spending and Headcount

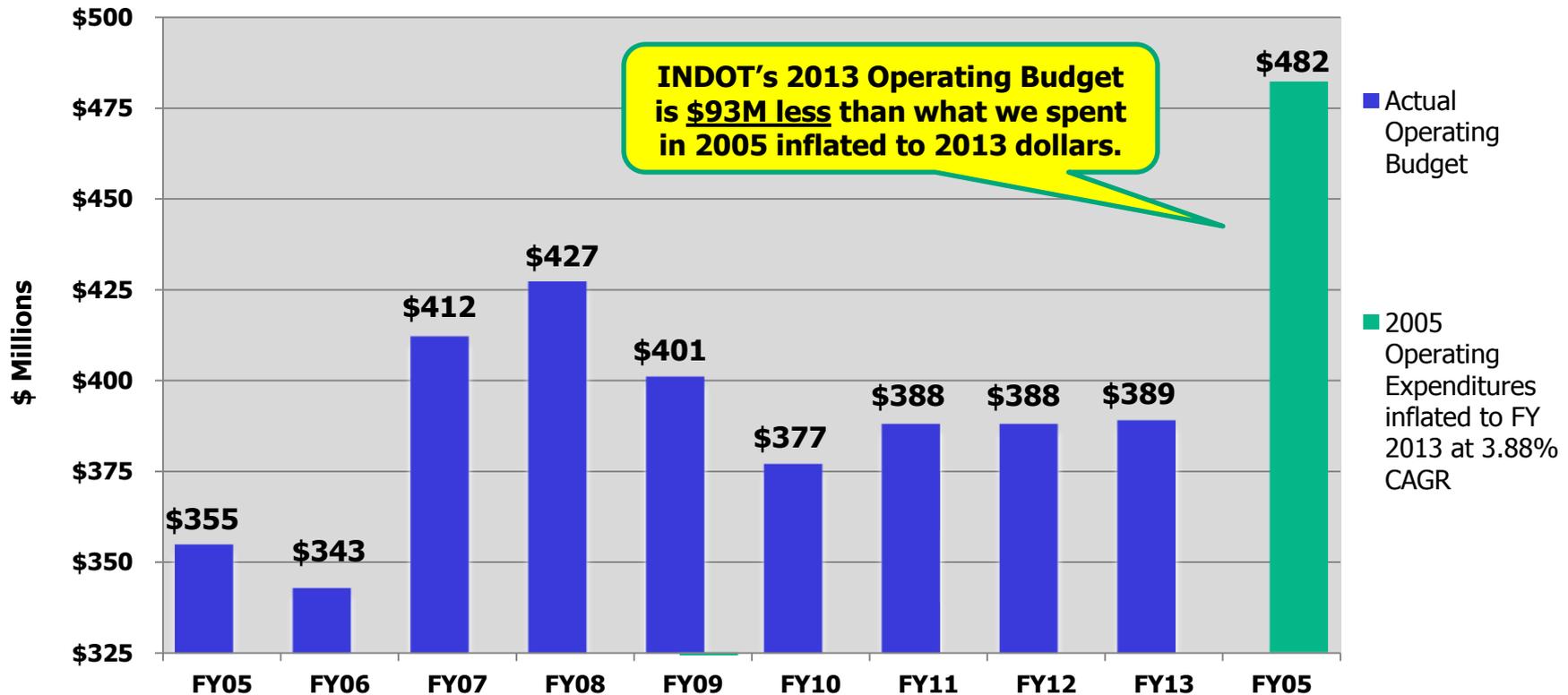


Despite a Continued Reduction in Headcount by 21.4% since FY07, INDOT Successfully Delivered the Major Moves Construction Program.

Source: INDOT Finance & HR Staff



INDOT's Operational Budget

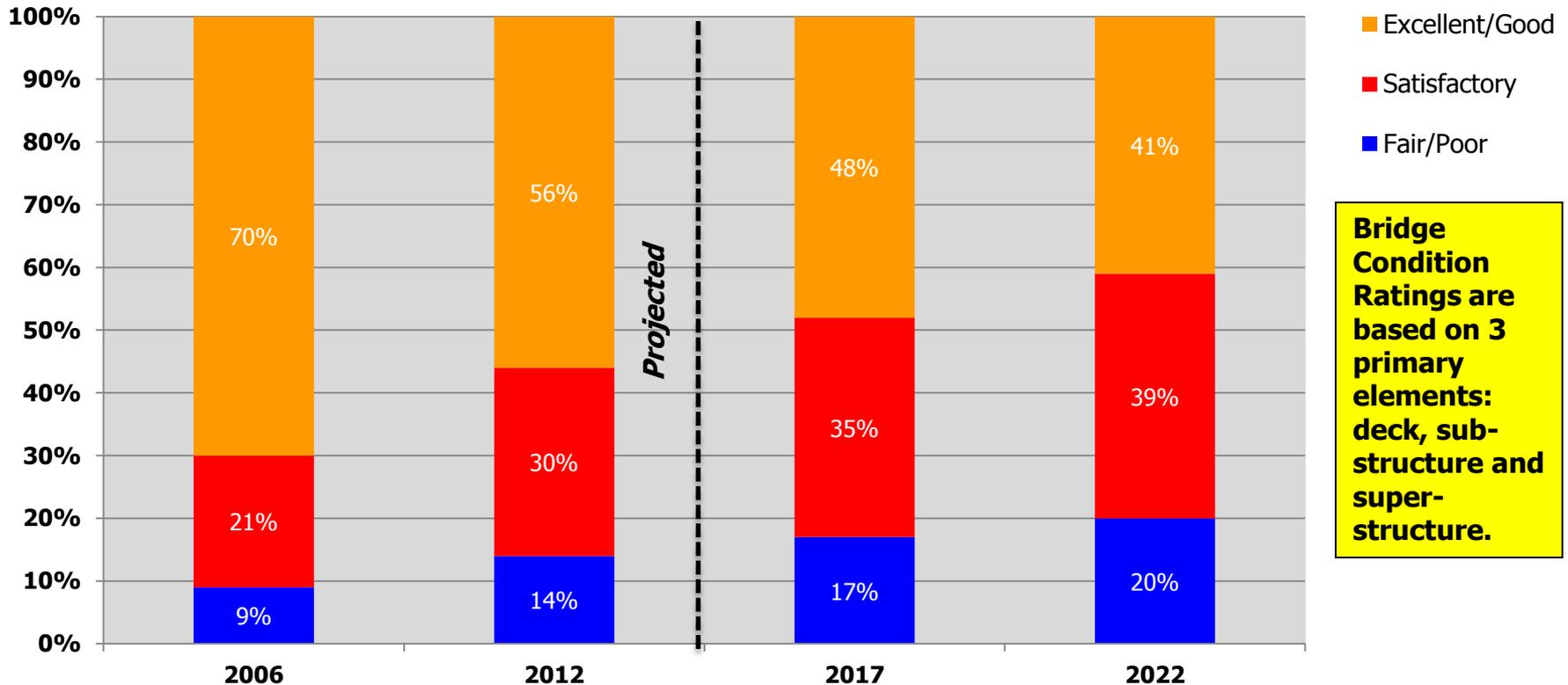


Despite Record Construction Years and Added Infrastructure, INDOT is Spending Less Annually for Operations than Inflation-Adjusted FY 2005.

3.88% Rate: INDOT Resource Composite Weighted Average Inflation (FY 2005 – 12) – Multiple Sources



Bridge Conditions

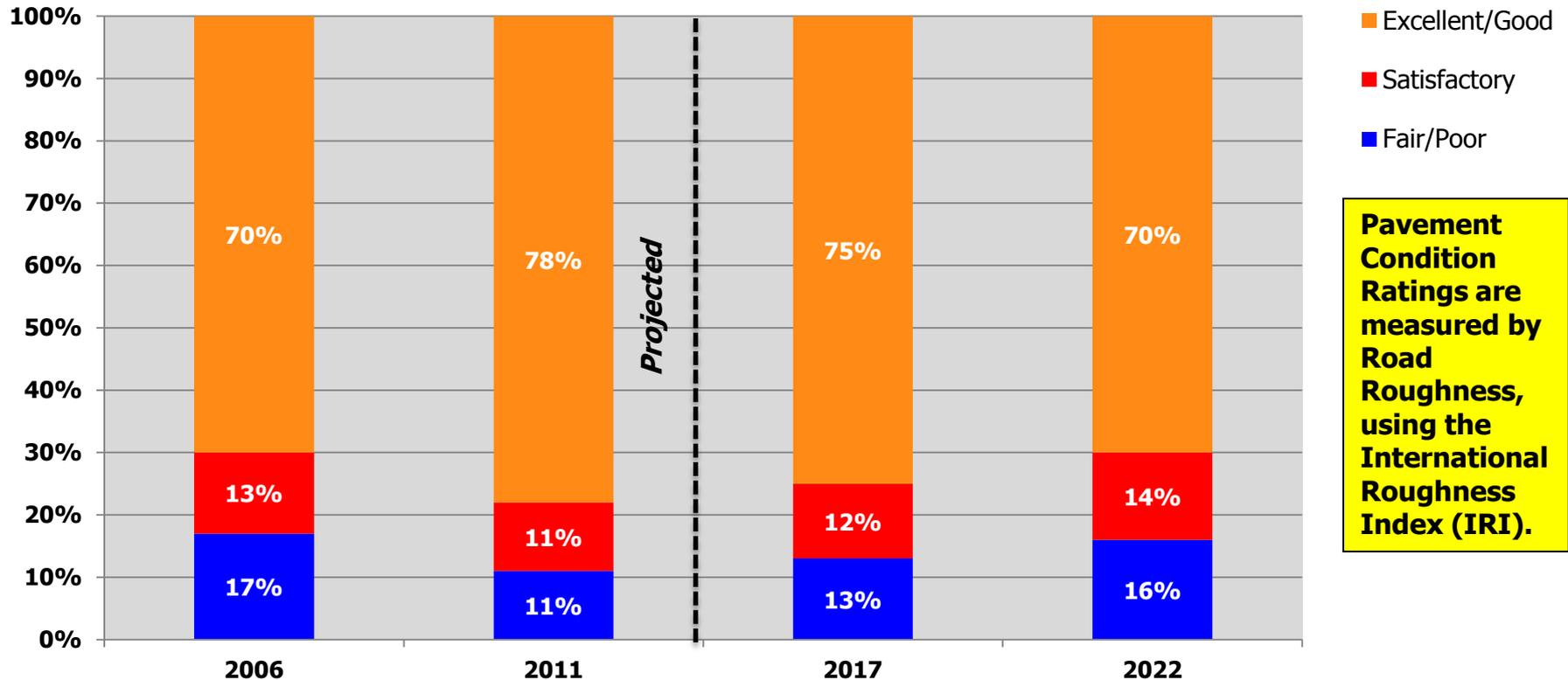


Bridge Condition Ratings are based on 3 primary elements: deck, sub-structure and super-structure.

In 2012, 334 of INDOT's Bridges Have One or More Poor Condition Elements. If Preservation Spending Levels Remain Constant, it is Estimated that 477 Bridges Will Have One or More Poor Condition Elements by 2022, an Increase of 143 Bridges (43%).



Pavement Conditions



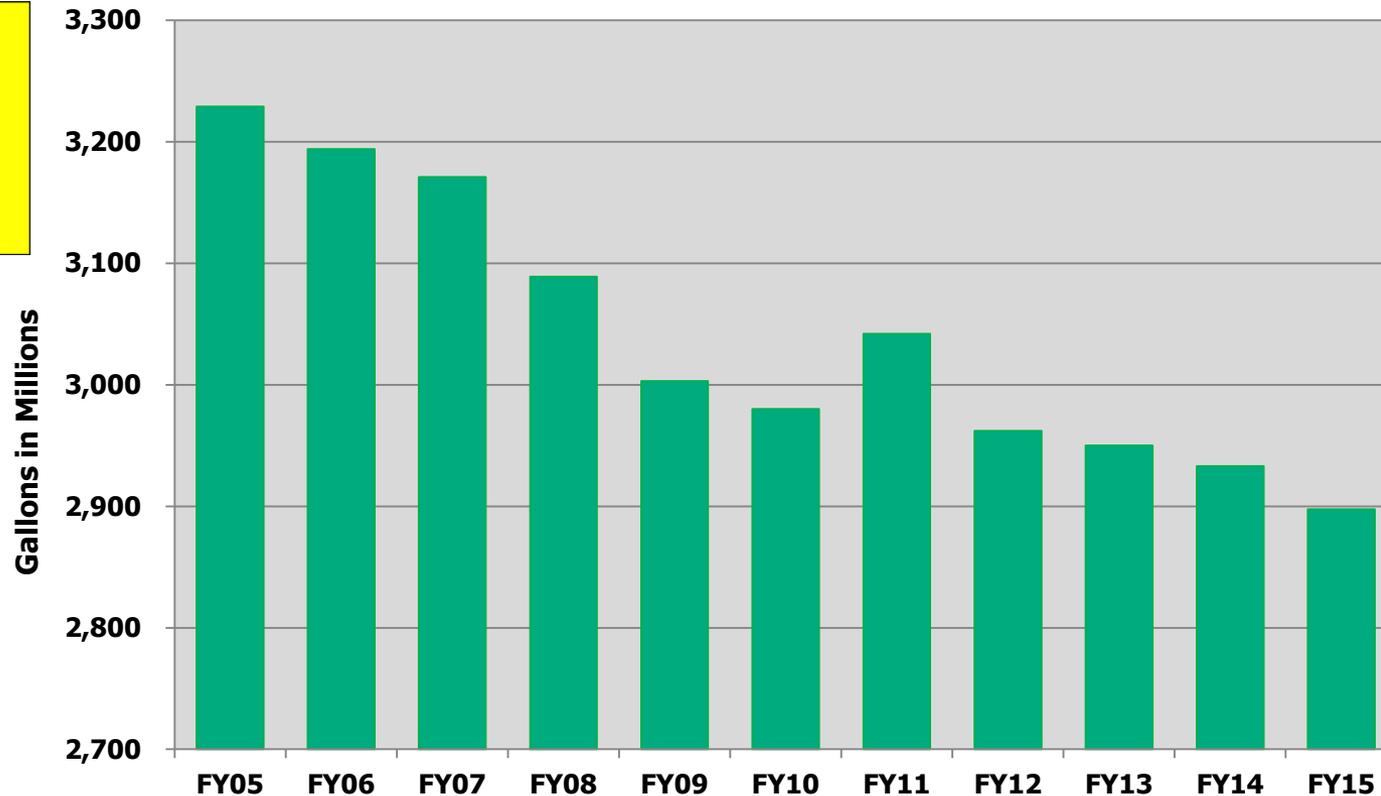
Pavement Condition Ratings are measured by Road Roughness, using the International Roughness Index (IRI).

In 2011, 3,060 of INDOT's Lane Miles were in Fair or Poor Condition. If Preservation Spending Levels Remain Constant, it is Estimated that 4,445 Lane Miles will be Rated Fair or Poor by 2022, an Increase of 1,385 Miles (45%).



Indiana's Gasoline / Gasohol Consumption

State Gasoline Fuel Tax Rate is \$.18 per Gallon.



From FY05 to FY15, Indiana's Gasoline / Gasohol Consumption Will Decrease 10.3%.

Indiana's Gasoline / Gasohol Consumption has Fallen Significantly Since 2004, Due in Part to Improved Fuel Efficiency and Rising Gasoline Prices.

Source: INDOT Finance Staff and Indiana Department of Revenue



FY14 & FY15 Challenges/Opportunities

- Decline of Fuel Taxes Primarily Due to More Fuel-Efficient Vehicles, Hybrids & Alternative Fuel Vehicles
- Shortfall of State Matching Funds for Federal-Aid Projects with the Passage of 2 year MAP-21 Act
- Sustainability of Condition Ratings for Roads and Bridges
- Construction Inflation and the Reduction of Purchasing Power



Thank You

